

**State:** District of Columbia **Filing Company:** Aetna Health Inc. PA AZ DC DE IN KY MA MD NV  
NC OK TN VA WV

**TOI/Sub-TOI:** H21 Health - Other/H21.000 Health - Other

**Product Name:** Aetna Health Maintenance Organization

**Project Name/Number:** Aetna Health Inc. 1Q17 Large Group HMO rate filing for DC/

## Filing at a Glance

Company: Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV

Product Name: Aetna Health Maintenance Organization

State: District of Columbia

TOI: H21 Health - Other

Sub-TOI: H21.000 Health - Other

Filing Type: Rate

Date Submitted: 11/09/2016

SERFF Tr Num: AETN-130757446

SERFF Status: Submitted to State

State Tr Num:

State Status:

Co Tr Num: DCAHILG1Q17

Implementation: 03/01/2017

Date Requested:

Author(s): Andrew Owen, Matthew Gregory Moor, Maxwell Nurnberger

Reviewer(s):

Disposition Date:

Disposition Status:

Implementation Date:

**State:** District of Columbia **Filing Company:** Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV

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## General Information

Project Name: Aetna Health Inc. 1Q17 Large Group HMO rate Status of Filing in Domicile: filing for DC

Project Number: Date Approved in Domicile:

Requested Filing Mode: Review & Approval Domicile Status Comments:

Explanation for Combination/Other: Market Type: Group

Submission Type: New Submission Group Market Size: Large

Group Market Type: Employer Overall Rate Impact:

Filing Status Changed: 11/09/2016

State Status Changed: Deemer Date:

Created By: Maxwell Nurnberger Submitted By: Andrew Owen

Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

For your review, we have submitted the Aetna Health Inc. 1Q17 Large Group HMO rate filing for DC.

## Company and Contact

### Filing Contact Information

Andrew Owen, Actuarial Manager OwenAJ@aetna.com  
980 Jolly Road 215-775-3837 [Phone]  
Blue Bell, PA 19422

### Filing Company Information

Aetna Health Inc. PA AZ DC DE	CoCode: 95109	State of Domicile:
IN KY MA MD NV NC OK TN VA	Group Code: 1	Pennsylvania
WV	Group Name:	Company Type:
980 Jolly Road	FEIN Number: 23-2169745	State ID Number:
Blue Bell, PA 19422		
(999) 999-9999 ext. [Phone]		

## Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

<b>SERFF Tracking #:</b>	AETN-130757446	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	DCAHILG1Q17
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV		
<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other				
<b>Product Name:</b>	Aetna Health Maintenance Organization				
<b>Project Name/Number:</b>	Aetna Health Inc. 1Q17 Large Group HMO rate filing for DC/				

## Rate Information

Rate data applies to filing.

**Filing Method:**

**Rate Change Type:** Increase

**Overall Percentage of Last Rate Revision:** 3.800%

**Effective Date of Last Rate Revision:** 03/01/2016

**Filing Method of Last Filing:** SERFF

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV	Increase	0.900%	0.900%	\$0	31	\$100,018,347	0.900%	0.900%

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## Rate Review Detail

### COMPANY:

Company Name: Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV

HHS Issuer Id: 73987

### PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Aetna Health Maintenance Organization			16604

Trend Factors:

### FORMS:

New Policy Forms:

Affected Forms:

Other Affected Forms: HMO/DC2 NAMEAMEND-1 05/02, HMO/DC2 GA-1 01/02, HMO/DC2 Amendment to GA ELR-1 05/02, HMO/DC2 COC-1 07/02, HMO DC2 COC-AMEND-1 07-03, HMO/DC2 COC-AMEND-2 07/03, HMO DC2 MEDICALLY NECESSARY 10-03, HMO AMD-COMPL-APPL-11/02-DC, HMO/DC2 COC-CONVERSION-AMEND 01/03, HMO DC2 AMEND-COB-2 10-03, HMO GEN MOP-AMEND-2 10-03, HMO DC2 SB-1 10-03, HMO/DC2 SELFREF (10/00), HMO/DC2 RIDER-HEAR-1 01/00, HMO/DC2 RIDER-UAW-1 (01/00), HMO/DC2 RIDER-RX-2003-1 (08/02), HMO/DC2 RDR-SHELL-1 06/99, HMO/DC2 RIDER-VIS-1 06/99, HMO/DC2 SERVAGREE-1 06/99, HMO/DC2 RIDER-SBF-1 06/99, HMO/DC2 AMEND-DP-1 06/99, HMO/DC2 AMEND-STNT-1 06/99, HMO/DC2 RIDER-DEN-1 06/99, HMO/DC2 BASIC-INF-AMEND 04/03, HMO GEN RIDER 2003CI-1 (07-03), HMO GEN RIDER 2003ART-1 (07-03), HMO DC2 TRANSPLANT-AMEND-1 10/03, HI DC A NUTRITSUPL V001, HI DC AAPPEALEXRE V003, HI GE APREMWAIVER V001, HI GE RPREMOFFSET V001, HI GE AGPAGRPOLPROV V001, HI A0GRPHMOHCR V001, HMO/DC2 INDHISB-1 07/00, HMO/DC2 INDCOC-1 07/00, HI GrpAg00050, HO GrpPol00040, HO GrpPol00050, HI COC00010, HI COC00020, HI COC00040, HI COC00050, HI COC00070, HI COC00080, HI COC00090, HI COC00100, HI COC00110, HI COC00120, HI COC00130, HI COC00140, HI COC00160, HI COC00170, HI COC00180, HO COC00010, HO COC00030, HO COC00040, HO COC00050, HO COC00070, HO COC00080, HO COC00090, HO COC00100, HO COC00110, HO COC00120, HO COC00130, HO COC00140, HO COC00160, HO COC00170, HO COC00180, HI SOB00010, HI SOB00040, HI SOB00050, HI SOB00070, HI SOB00080, HI SOB00090, HI SOBNM010, HI SOBNM040, HI SOBNM050, HI SOBNM070, HI SOBNM080, HI SOBNM090, HO SOB00010, HO SOB00040, HO SOB00050, HO SOB00070, HO SOB00080, HO SOB00090, HI Rider00060

### REQUESTED RATE CHANGE INFORMATION:

Change Period: Quarterly

Member Months: 199,246

Benefit Change: None

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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV
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<b>TOI/Sub-TOI:</b>	H21 Health - Other/H21.000 Health - Other
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<b>Product Name:</b>	Aetna Health Maintenance Organization
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<b>Project Name/Number:</b>	Aetna Health Inc. 1Q17 Large Group HMO rate filing for DC/
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Percent Change Requested:	Min: 0.9 Max: 0.9 Avg: 0.9
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**PRIOR RATE:**

Total Earned Premium:	100,018,347.00
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Total Incurred Claims:	79,724,397.00
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Annual \$:	Min: 3,140.00 Max: 6,769.00 Avg: 6,024.00
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**REQUESTED RATE:**

Projected Earned Premium:	100,874,862.00
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Projected Incurred Claims:	83,283,264.00
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Annual \$:	Min: 3,167.00 Max: 6,827.00 Avg: 6,075.00
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<b>SERFF Tracking #:</b>	AETN-130757446	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	DCAHILG1Q17
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV		
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## Rate/Rule Schedule

SERFF Tracking #:

AETN-130757446

State Tracking #:

Company Tracking #:

DCAHILG1Q17

State:

District of Columbia

Filing Company:

Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA  
WV

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Aetna Health Inc. 1Q17 Large Group HMO rate filing for DC/

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		DC 1Q17 rate manual	HMO/DC2 NAMEAMEND-1 05/02, HMO/DC2 GA-1 01/02, HMO/DC2 Amendment to GA ELR-1 05/02, HMO/DC2 COC-1 07/02, HMO DC2 COC-AMEND-1 07-03, HMO/DC2 COC-AMEND-2 07/03, HMO DC2 MEDICALLY NECESSARY 10-03, HMO AMD-COMPL-APPL-11/02-DC, HMO/DC2 COC-CONVERSION-AMEND 01/03, HMO DC2 AMEND-COB-2 10-03, HMO GEN MOP-AMEND-2 10-03, HMO DC2 SB-1 10-03, HMO/DC2 SELFREF (10/00), HMO/DC2 RIDER-HEAR-1 01/00, HMO/DC2 RIDER-UAW-1 (01/00), HMO/DC2 RIDER-RX-2003-1 (08/02), HMO/DC2 RDR-SHELL-1 06/99, HMO/DC2 RIDER-VIS-1 06/99, HMO/DC2 SERVAGREE-1 06/99, HMO/DC2 RIDER-SBF-1 06/99, HMO/DC2 AMEND-DP-1 06/99, HMO/DC2 AMEND-STNT-1 06/99, HMO/DC2 RIDER-DEN-1 06/99, HMO/DC2 BASIC-INF-AMEND 04/03, HMO GEN RIDER 2003CI-1 (07-03), HMO GEN RIDER 2003ART-1 (07-03), HMO DC2 TRANSPLANT-AMEND-1 10/03, HI DC A NUTRITSUPL V001, HI DC AAPPEALEXRE V003, HI GE APREMWAIVER V001, HI GE RPREMOFFSET V001, HI GE AGPAGRPOLPROV V001, HI A0GRPHMOHCR V001, HMO/DC2 INDHISB-1 07/00,	Revised	Previous State Filing Number: AETN-130298163 Percent Rate Change Request: 0.9	DC LG Rate Manual AHI 1Q17.pdf,

SERFF Tracking #:

AETN-130757446

State Tracking #:

Company Tracking #:

DCAHILG1Q17

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H21 Health - Other/H21.000 Health - Other

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Aetna Health Inc. 1Q17 Large Group HMO rate filing for DC/

			HMO/DC2 INDCOC-1 07/00, HI GrpAg00050, HO GrpPol00040, HO GrpPol00050, HI COC00010, HI COC00020, HI COC00040, HI COC00050, HI COC00070, HI COC00080, HI COC00090, HI COC00100, HI COC00110, HI COC00120, HI COC00130, HI COC00140, HI COC00160, HI COC00170, HI COC00180, HO COC00010, HO COC00030, HO COC00040, HO COC00050, HO COC00070, HO COC00080, HO COC00090, HO COC00100, HO COC00110, HO COC00120, HO COC00130, HO COC00140, HO COC00160, HO COC00170, HO COC00180, HI SOB00010, HI SOB00040, HI SOB00050, HI SOB00070, HI SOB00080, HI SOB00090, HI SOBNM010, HI SOBNM040, HI SOBNM050, HI SOBNM070, HI SOBNM080, HI SOBNM090, HO SOB00010, HO SOB00040, HO SOB00050, HO SOB00070, HO SOB00080, HO SOB00090, HI Rider00060			
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**Aetna Health, Inc.**  
**District of Columbia**  
  
**Large Group Business**  
**Rate Manual**

Aetna Health Inc.

## **Table of Contents**

### Description

Large Group Health - General	Page A-1
Large Group Medical, Prescription Rx & Aetna Health Fund Benefits	Section B

## **General**

### **Special Rates**

In the group business it is often necessary, because of collective bargaining agreements or other considerations, to provide for one or more special features in respect to one or more coverages in any given policy or set of policies. Whenever the plan design specifications of a particular case require a so-called tailor-made form or one or more special features, the initial premium rates to be charged will be computed on an actuarially equivalent basis consistent with the basis used for determining the premium rates then on file for our standard group forms. Factors for intermediate benefits supported by our forms filings, but not specifically listed in the factor tables will be derived by linear interpolation or extrapolation.

### **Frequency of Premium Payment**

All rates shown for health insurance benefits are payable monthly. Annual, semi-annual and quarterly rates are respectively 12, 6, and 3 times the monthly rates.

### **Continuation of Coverage Following Termination**

Under this benefit, if an individual's insurance under policy terminates then coverage may be continued for 9 months beyond the date of termination. This continuation period may be longer if the law of the jurisdiction involved so requires.

### **Children From Birth**

Medical plans typically cover children based on a definition of dependent children covered from birth to the age specified in the contract.

### **Classification of Industries**

All rates are non-occupational benefits unless otherwise indicated.

### **Rate Calculation Procedures**

Case experience may be used in determining the premium rates for a group. Adjustments to the rates may reflect large claims (including removing large claims and including a pooling charge), case specific claim trend, changes in demographics, and credibility. An adjustment may be made to reflect costs not reflected in the claims experience, such as significant enrollment turnover, morbidity changes, or significant changes in the size or characteristics of the group. Underwriter judgment may also be applied to adjust the rates to reflect any case specific situations that are not reflected in the standard rating process.

## Manual Rating

A base expected claim cost PMPM is set for the market based on the projected claim level for a specific plan of benefits, referred to as the Standard Plan. For any plan of benefits that is different from the Standard Plan benefits, an adjustment is applied to reflect the expected cost differential between the two benefit plans. Benefit Relativities for each plan of benefits are calculated on an actuarially-equivalent basis using benefit factors derived from our book of business data.

The benefit adjusted claim cost is trended forward to the midpoint of the proposed policy period using medical, pharmacy and, if applicable, HRA fund trend factors. The benefit adjusted trended claims cost is adjusted for group demographics, network, industry and geography. The projected claim costs are adjusted for age, gender and coverage tier. Claim costs are also adjusted for geography.

Additional adjustments may be applied for association groups, group size, dependent age (if coverage is requested for dependent children beyond age 26), work status (high COBRA or early retiree content), health status or other adjustments required to reflect the relative morbidity or unique circumstances of the policyholder.

If more than one plan design is being offered a Multi-Option adjustment may be applied.

If the group is part of a portfolio-rated block of business or cohort, adjustments may be made to reflect the required increase for the cohort. The final premium rates are calculated by adjusting the projected claims PMPM to include both fixed and variable retention components. 
$$\text{Premium PMPM} = (\text{Projected Claims PMPM} + \text{Fixed Administrative Costs} + \text{Reinsurance Contribution PMPM} + \text{Other ACA PMPM Fees} + \text{PMPM Commissions}) / (1 - \text{Variable Administrative \%} - \text{Profit \%} - \text{Premium Tax \%} - \text{Health Insurer Fee \%} - \text{Commission \%})$$

Retention may be adjusted to reflect case specific circumstances such as inclusion or exclusion of certain programs or services (i.e. wellness programs), combination of multiple products, case specific commissions, or margin for risk sharing arrangements, etc.

Retention may be adjusted to reflect expense savings associated with more efficient processes (such as electronic enrollment, billing, EOBs, etc.), as well as expense increases associated with additional transactions or costs (such as late premium payment, case reinstatements, etc.). Any adjustment made may be presented as a change in the retention factors used to develop the monthly premium, or as a separate charge to reflect the additional costs of each transaction.

The Premium PMPM may be adjusted for discounts for cross-selling multiple lines of coverage. A final adjustment may be made based on underwriter discretion.

The Premium PMPM is converted to PEPM (or PSPM) rates as follows:

$$\text{Step-up Factor} = \text{Total Members} / (\text{The sum of the product of the number of subscribers in each coverage tier times the appropriate tier factor})$$

Composite Employee Rate = Premium PMPM \* Step-up Factor

The composite employee rate is multiplied by the coverage tier factors to obtain rates for each of the coverage tiers offered. Intermediate calculation steps are not rounded. The final premium rates are rounded to two decimal places.

Experience Rating:

Experience rating may be used to calculate a projected experience period claim PMPM which is projected forward to produce claim PMPMs and finally premiums that vary by plan design and location, which may be modified based on underwriter judgment.

If the group's experience is not fully credible the projected experience claims may be blended with a manual claims PMPM adjusted to reflect the characteristics of the group as described in the Manual Rating section. Final premium rates are calculated by increasing the projected claims PMPM to include both fixed and variable retention components.

Premium PMPM = (Projected Claims PMPM + Fixed Administrative Costs + Reinsurance Contribution PMPM + Other ACA PMPM Fees + PMPM Commissions) / (1 – Variable Administrative % - Profit % - Premium Tax % - Health Insurer Fee % - Commission %)



**Aetna Health Inc.**  
**Aetna Health Insurance Company**

## Adjusted Community Rate Calculation

**Customer Name**

Quote ID:

Effective Date:

Next Ren. Date:

Eligible Employees:

Covered Employees:

Segment:	Option:	Medical + Cap	Rx	HRA	Total
1	Adjusted Experience Claims PMPM - Year 1	\$0.00	\$0.00	\$0.00	\$0.00
2	Experience Credibility - Year 1	80.0%	80.0%	80.0%	
3	Adjusted Experience Claims PMPM - Year 2	\$0.00	\$0.00	\$0.00	\$0.00
4	Experience Credibility - Year 2 (1 - Yr.1 Cred)	20.0%	20.0%	20.0%	
5	<b>Blended Adjusted Experience Claims PMPM</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
6	<b>Adjusted CRC Claims PMPM</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
7	Experience Credibility	60.0%	60.0%	60.0%	
8	CRC Weight (1 - 7)	40.0%	40.0%	40.0%	
9	Blended Projected Claims PMPM ((5 x 7) + (6 x 8))	\$0.00	\$0.00	\$0.00	\$0.00
10	Actuarial Allocation				1.0000
11	Projected Claims PMPM (9 x 10)				\$0.00
12	Fixed Administrative Costs				
	a. Fixed PMPM				
	b. PEPM Commissions (Conv PMPM)				
	c. ACA Taxes and Fees				
13	Needed Revenue before Var Ret (11 + 12a + 12b + 12c)				\$0.00
14	Variable Administrative Costs				
	a. Variable %				
	b. Profit				
	c. Premium Tax				
	d. Commission %				
	e. Health Insurer Fee %				
	f. Total Variable Retention (a + b + c + d + e)				0.0%
15	Required Revenue (13 / (1 - 14f))				\$0.00
16	Cross Sell Discount Factor				1.0000
17	Actuarial Global Concession Load				1.0000
18	Bottom Line Concession Load				1.0000
19	Adjusted Required Revenue (15 x 16 x 17 x 18)				\$0.00
20	Step-up Factor (Total members / (sum of product of Sub Counts and Tier Factors))				
21	Required Composite Employee Rate (19 x 20)				\$0.00

Tier Rates:

Tier	Tier Factor	Sub Count	Rate
Employee Only			
Employee/Spouse			
Employee/Child			
Employee/Dependent			
Employee/Children			
Employee/Family			

Medical Standard Plan Claim Cost PMPM

Effective Date or Network	HMO Products	QPOS Products	Open Acces HMO Products	Open Access QPOS Products
DC	\$235.44	\$282.82	\$246.04	\$295.56

Pharmacy Standard Plan Claim Cost PMPM

Effective Date or Network	Pharmacy
DC	\$60.41

HRA Standard Plan Claim Cost PMPM

Effective Date or Network	HRA
DC	\$35.44

Manual Rating Factors

	Range	
	From	To
Benefit Adjustment	0.10	5.00
Load to formula Adjustment	0.25	4.00
Age/Gender	0.20	6.00
Network Adjustment	0.00	0.30
Industry Factor	0.75	3.00
Area Factor	0.50	2.00
Association Factor	1.00	2.00
Domestic Partners Adjustment	1.00	1.10
Group Size Adjustment	1.00	2.00
Dependent Age Adjustment	1.00	2.00
Early Quote Adjustment	1.00	2.00
Work Status Factor	1.00	1.80
Multi-Option Load	1.00	1.25
CRC Risk Adjustment Factor	0.50	3.00
CRC Block Adjustment Factor	0.50	3.00
Demo Cap Adjustment Factor	0.00	3.00



Experience Rating Factors

	Range	
	From	To
IBNR Factors	0.01	1.00
Deductible Suppression	1.00	2.00
Morbidity	0.50	2.00
Pooling Charge Percentage	0.25%	100.00%
Annual Experience Trend Percentage	0.00%	30.00%
Benefit Adjustment Factor	0.10	4.00
Age/Gender	0.20	6.00
Area	0.50	2.00
Network Adjustment	0.50	2.00
HRA Carryover Adjustment	0.50	2.00
Early Quote Load	1.00	2.00
Multi-Option Load	1.00	1.25
Prior Carrier Relativity (PCR)	0.50	2.00

Other Adjustments - Adjusted Community Rate

	Range	
	From	To
Experience Credibility Factor	0.00%	100.00%
Actuarial Allocation	1.00	1.00
Fixed Administrative PMPM	0.00	60.00
Fixed Commission PMPM	0.00	60.00
ACA Taxes & Fees PMPM	0.00	5.25
Variable Administrative %	0.00%	30.00%
Profit %	0.00%	10.00%
Premium Tax %	0.00%	10.00%
Commission %	0.00%	20.00%
Health Insurer Fee %	0.00%	5.00%
Cross Sell Discount	0.50	2.00
Tier Factors	0.50	4.00

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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	Attached, please find the 1Q17 District of Columbia Large Group rate filing cover letter for Aetna Health Inc.
<b>Attachment(s):</b>	DC 1Q17 AHI cover HMO.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	Filing is being made by the insurer.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	Attached, please find the 1Q17 DC Large Group rate filing submission for Aetna Health Inc. The attachments include: our cover letter including form numbers, Actuarial Memorandum, the Large Group Actuarial Certification, NAIC Transmittal form and other supporting documents
<b>Attachment(s):</b>	DC LG AHI 1Q17 Actuarial Memorandum and Supporting Documentation.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	Attached, please find the 1Q17 District of Columbia Large Group Actuarial Certification for Aetna Health Inc.
<b>Attachment(s):</b>	DC AHI Actuarial Certification 1Q17.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	This is not a P&C filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	This is not a P&C filing.
<b>Attachment(s):</b>	

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Aetna Health Inc. PA AZ DC DE IN KY MA MD NV NC OK TN VA WV
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<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Consumer Disclosure Form
<b>Bypass Reason:</b>	This form does not apply to large group filings.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	This form does not apply to large group filings.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	This form does not apply to large group filings.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



1100 Circle 75 Pkwy  
Suite 1400  
Atlanta, GA 30339

November 9, 2016

Mr. Efren Tanhehco  
Supervising Actuary  
District of Columbia Department of Insurance Securities and Banking  
Actuarial Analysis Division  
810 First Street, NE Suite 701  
Washington, D.C. 20002

RE: Aetna Health Inc. - DC  
NAIC Number: 95109  
District of Columbia Large Group New Business  
Forms: see attached for list of form numbers

Dear Mr. Tanhehco:

I am writing to seek approval for revisions to the approved Aetna Health, Inc. rate manual last submitted on October 27, 2015. This filing is for effective dates March 1, 2017 and later for our HMO and QPOS medical and pharmacy plans. Consistent with the 2016 rate filing, the rating factors in this submission are presented in ranges.

The requested rates conform to the benefit plan provisions required by the Patient Protection and Affordable Care Act (P.L. 111-148) of 2010.

In accordance with the Health Insurance Rate Filing Procedures, we have included the following documents:

- o Actuarial Memorandum.
- o Actuarial Certification.
- o NAIC form.
- o Revised rate manual.

The new business *quarterly* composite manual rate change requested for 1Q17 is 0.9%. The new business *annual* composite manual rate change requested for 1Q17 is 5.3%. This rate filing does not impact renewing business.

The purpose of this filing is to comply with the District of Columbia, Department of Insurance, Securities and Banking, DC ST § 31-3311.04. This filing is not intended to be used for other purposes.

Please contact me at 215-775-3827 if you have any questions regarding the attached information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Erica Mitchell".

Erica Mitchell  
FSA, MAAA

**Aetna Health, Inc.**  
**District of Columbia**

Forms:

HMO/DC2 NAMEAMEND-1 05/02	NAME CHANGE AMENDMENT
HMO/DC2 GA-1 01/02	GROUP AGREEMENT
HMO/DC2 Amendment to GA ELR-1 05/02	GROUP AGREEMENT AMENDMENT
HMO/DC2 COC-1 07/02	CERTIFICATE OF COVERAGE (COC)
HMO DC2 COC-AMEND-1 07-03	AMENDMENT
HMO/DC2 COC-AMEND-2 07/03	AMENDMENT
HMO DC2 MEDICALLY NECESSARY 10-03	NEW DEFINITION AMENDMENT
HMO AMD-COMPL-APPL-11/02-DC	GRIEVANCE PROCESS AMENDMENT
HMO/DC2 COC-CONVERSION-AMEND 01/03	CONVERSION AMENDMENT
HMO DC2 AMEND-COB-2 10-03	COB AMENDMENT
HMO GEN MOP-AMEND-2 10-03	AMENDMENT
HMO DC2 SB-1 10-03	SCHEDULE OF BENEFITS
HMO/DC2 SELFREF (10/00)	OPEN ACCESS RIDER
HMO/DC2 RIDER-HEAR-1 01/00	HEARING AID RIDER
HMO/DC2 RIDER-UAW-1 (01/00)	NOCO RIDER
HMO/DC2 RIDER-RX-2003-1 (08/02)	RX RIDER
HMO/DC2 RDR-SHELL-1 06/99	RIDER SHELL
HMO/DC2 RIDER-VIS-1 06/99	VISION
HMO/DC2 SERVAGREE-1 06/99	SERVICE AGREEMENT
HMO/DC2 RIDER-SBF-1 06/99	MEDICAL SPENDING
HMO/DC2 AMEND-DP-1 06/99	DOMESTIC PARTNER
HMO/DC2 AMEND-STNT-1 06/99	STUDENT
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HI A0GRPHMOHCR V001	HCR AMENDMENT
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HO COC00050	Certificate of Coverage
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HO COC00090	Certificate of Coverage
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HO COC00140	Certificate of Coverage
HO COC00160	Certificate of Coverage
HO COC00170	Certificate of Coverage
HO COC00180	Certificate of Coverage
HI SOB00010	Schedule of Benefits
HI SOB00040	Schedule of Benefits
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HI SOB00070	Schedule of Benefits
HI SOB00080	Schedule of Benefits
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HO SOB00090	Schedule of Benefits
HI Rider00060	Outpatient prescription drugs rider



1100 Circle 75 Pkwy  
Suite 1400  
Atlanta, GA 30339

November 9, 2016

Mr. Efren Tanhehco  
Supervising Actuary  
District of Columbia Department of Insurance Securities and Banking  
Actuarial Analysis Division  
810 First Street, NE Suite 701  
Washington, D.C. 20002

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**Aetna Health Inc. – District of Columbia  
HMO Large Group Business**

**Actuarial Memorandum**

**Statement of Purpose for Filing**

This actuarial memorandum supports DC HMO and QPOS commercial base rates for large groups effective March 1, 2017 and later for Aetna Health Inc. - District of Columbia.

The purpose of this memorandum is to comply with the District of Columbia, Department of Insurance, Securities and Banking, Health Insurance Rate Filing Procedures and to provide adequate supporting information for our proposed rates pursuant to the DC Official Code, Title 31, Subtitle IV, Chapter 34.

This rate filing conforms to the benefit plan provisions required by the Patient Protection and Affordability Act (P.L. 111-148) of 2010.

**A. Description of Benefits**

The Aetna Health Inc. – District of Columbia offers HMO and QPOS group medical benefit coverage for inpatient, outpatient, primary care and specialist services as well as riders such as pharmacy, vision, self injectables, DME and vision. Section B addresses the base medical and pharmacy benefits.

**B. Renewability Provision**

Group contracts are effective for a 12 month period at the end of which they are renewable upon agreement between both Aetna and the employer.

**C. Applicability**

The benefit plans and corresponding rates apply to large group new business.

**D. Marketing Method**

AHI uses brokers as well as internal sales staff to market our large group benefit plans.

**E. Underwriting Method**

Generally for groups with less than 300 eligible subscribers, Aetna requires the completion of a group medical questionnaire. We may use the information contained in the questionnaire to adjust a case appropriately for the given risk.

**F. Issue Age Limits**

Not applicable

**G. Premium Basis**

We have updated our base claim cost (medical and pharmacy) for this filing using the most recent 12 month of experience data. We develop our base rate using a national pricing model that projects manual premium rates and medical cost ratios.

**H. Nature of Rate Change and Proposed Rate/Methodology Change**

There are no proposed rating methodology changes in this rate filing. The manual rate change results from the proposed change in manual base rate for our medical and pharmacy riders.

**I. For Each Change, Indication if New or Modified**

This is a new request for a manual base rate change for this time period.

**J. For Each Change Comparison to Status Quo**

Not applicable

**K. Summary of How Each Proposed Modification Differs from Corresponding Current/Approved Rate/Methodology**

There are no proposed rating methodology changes in this rate filing.

**L. Summary of Each Proposed New Rule**

Not Applicable

**M. Overall Premium Impact of Filing on DC Policyholders**

The new business quarterly composite manual rate change requested for 1Q17 is 0.9%. The new business annual composite manual rate change requested for 1Q17 is 5.3%. This rate filing does not impact renewing business.

**N. Filed Minimum Required Loss Ratio**

Not Applicable

**O. Interest Rate Assumptions**

Not Applicable

**P. Trend Assumptions**

We are filing our future quarterly rate increases as a broad range.

**Q. Persistency**

Not Applicable

**R. Long Term Care Insurance**

Not Applicable

**S. Actuarial Certification**

An Actuarial Certification is attached.

To: Aetna Health Inc.

From: Erica Mitchell, FSA, MAAA

Date: November 9, 2016

Re: **Actuarial Certification of Premium Rates**

I, Amy E. Ovuka, am an employee of Aetna Health Insurance Company and a member of the American Academy of Actuaries. I have reviewed the enclosed rates submitted by Aetna Health Inc. for the District of Columbia.

These rates reflect the negotiated prices from the provider contracts and the expected utilization experience of the plan.

I relied upon financial records and summaries prepared by responsible officers and employees of Aetna. I also relied on guidance from responsible employees of Aetna for regulatory compliance matters. In other respects, my analysis included review of assumptions that I considered necessary.

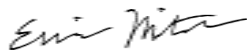
For preparation of the rates, items identified above:

- (i) are computed in accordance with commonly accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- (ii) meet the requirements of the District of Columbia,
- (iii) make a good and sufficient provision for all unpaid claims of the organization under the terms of its contracts and agreements, and
- (iv) include appropriate provision for all actuarial items which ought to be established where allowed by law.

A manual rate target medical loss ratio of 82.6% was used in the development of the manual rates. These rates are appropriate for quotes delivered for effective dates beginning March 1, 2017.

This rate filing conforms with the benefit plan provisions required by the Patient Protection and Affordability Act (P.L. 111-148) of 2010. This filing is made in accordance with all the applicable Actuarial Standards of Practice, including ASOP No. 8.

In my opinion, the enclosed rates are reasonable in relation to the anticipated experience of Aetna Health, Inc. They are neither excessive nor inadequate, nor unfairly discriminatory.



November 9, 2016

---

Erica Mitchell  
FSA, MAAA

---

Date

**Aetna Health Inc.**  
**District of Columbia**  
**Summary of Rate Manual Changes**  
**Effective March 1, 2017**

Outside of the normal quarterly changes such as base rate, trend, and area factor, the following changes have been made effective March 1, 2017.

***Large Group Rate Manual Section B***

Medical Benefit Factors

Any changes to our medical benefit options and/or factors and the appropriate rate manual pages have been included.

Pharmacy and Specialty (Self Injectables) Benefit Factors

Any changes to our pharmacy and specialty (self injectables) benefit factors and/or options have been included.

Trend Factors

We are filing our future quarterly rate increases as a broad range.

Administrative Expenses and Profit Factor

We have updated our PMPM retention factors.

**Life, Accident & Health, Annuity, Credit Transmittal Document**

1.	Prepared for the State of	District of Columbia
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2.	Department Use Only
	State Tracking ID

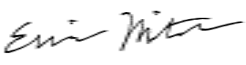
3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	Aetna Health Inc. 1302 Concourse Drive, Suite 402 Linthicum, MD 2109	PA	Accident & Health		95109		

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address
	Erica Mitchell 1100 Circle 75 Pkwy Suite 1400 Atlanta GA 30339	678-742-6561		Mitchelle1@aetna.com

5.	Requested Filing Mode	<input type="checkbox"/> Review & Approval	<input type="checkbox"/> File & Use	<input type="checkbox"/> Informational
		<input type="checkbox"/> Exempt	<input type="checkbox"/> File with Certification	
		<input type="checkbox"/> Combination (please explain): _____		
		<input type="checkbox"/> Other (please explain): _____		

6.	Company Tracking Number	DCAHILG1Q17
7.	<input checked="" type="checkbox"/> New Submission	<input type="checkbox"/> Resubmission Previous file # _____
8.	Market	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise
		<input type="checkbox"/> Small <input checked="" type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____
		Group
9.	Type of Insurance (TOI)	H21 Health-Other
10.	Sub-Type of Insurance (Sub-TOI)	H21.000 Health-Other

11.	Submitted Documents	<div> <input type="checkbox"/> <b>FORMS</b>  <input type="checkbox"/> Policy  <input type="checkbox"/> Application/Enrollment  <input type="checkbox"/> Schedule of Benefits         </div> <div> <input type="checkbox"/> Outline of Coverage  <input type="checkbox"/> Rider/Endorsement  <input type="checkbox"/> Other         </div> <div> <input type="checkbox"/> Certificate  <input type="checkbox"/> Advertising         </div> <div> <b>Rates</b>  <input checked="" type="checkbox"/> New Rate    <input type="checkbox"/> Revised Rate         </div> <div> <input type="checkbox"/> <b>FILING OTHER THAN FORM OR RATE:</b>          Please explain: _____         </div> <div> <b><u>SUPPORTING DOCUMENTATION</u></b>  <div> <input type="checkbox"/> Articles of Incorporation  <input type="checkbox"/> Association Bylaws  <input type="checkbox"/> Statement of Variability  <input type="checkbox"/> Actuarial Memorandum           </div> <div> <input type="checkbox"/> Third Party Authorization  <input type="checkbox"/> Trust Agreements  <input checked="" type="checkbox"/> Certifications           </div> <input checked="" type="checkbox"/> Other <a href="#">DC LG 1Q17 Rate Manual &amp; Actuarial Certification</a> </div>
12.	Filing Submission Date	<a href="#">November 9, 2016</a>
13	Filing Fee (If required)	Amount _____ Check Date _____ Retaliatory <input type="checkbox"/> Yes <input type="checkbox"/> No    Check Number _____
14.	Date of Domiciliary Approval	
15.	Filing Description:	
	<p style="text-align: center;"><a href="#">For your review, we have submitted the Aetna Health Inc. 1Q17 Large Group HMO rate filing for DC.</a></p>	

16.	<b>Certification (If required)</b>		
<b>I HEREBY CERTIFY</b> that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of _____.			
Print Name	<u>Erica Mitchell</u>	Title	<u>Actuarial Director</u>
Signature		Date:	<u>November 9, 2016</u>



17.	<b>Form Filing Attachment</b>	
This filing transmittal is part of company tracking number		
This filing corresponds to rate filing company tracking number		

	Document Name	Form Number		Replaced Form Number
	Description			Previous State Filing Number
01			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1

18.	Rate Filing Attachment			
This filing transmittal is part of company tracking number				
This filing corresponds to form filing company tracking number			N/A	
Overall percentage rate indication (when applicable)				
Overall percentage rate impact for this filing			0.9% quarterly manual rate change	
	Document Name	Affected Form Numbers		Previous State Filing Number
	Description			
01		See list of form numbers attached to cover letter.	<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
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LH RFA-1

To: Aetna Health Inc.

From: Erica Mitchell, FSA, MAAA

Date: November 9, 2016

Re: **Actuarial Certification of Premium Rates**

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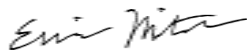
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Erica Mitchell  
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